

**REPORT/RECOMMENDATION TO THE BOARD OF SUPERVISORS
OF SAN BERNARDINO COUNTY, CALIFORNIA
AND RECORD OF ACTION**

June 3, 2003

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FROM: ALAN K. MARKS
County Counsel

SUBJECT: LEGAL SERVICE AGREEMENT WITH GUMPORT, REITMAN AND MONTGOMERY

RECOMMENDATION: Approve Amendment No. 5 to agreement with Gumport, Reitman and Montgomery for legal services related to recovery of funds involving criminal activities of former employees, officers and private individuals. This amendment increases the authorized contract amount by \$250,000 for a total of \$3,000,000.

BACKGROUND INFORMATION: The law firm of Gumport, Reitman and Montgomery has been providing specialized legal services for the legal action that resulted from the investigation into the improper actions of former employees, officers and private individuals. The case is being actively litigated with a current trial date of May 19, 2003. County Counsel currently has an attorney working with the Gumport firm on the case. To date, the County has recovered \$9,400,000 through various settlements.

The current contract provides a maximum contract amount of \$2,750,000. This amendment increases that amount by a total of \$250,000. This amount should cover anticipated legal fees and costs through trial. Fees and expenses paid to Gumport, Reitman and Montgomery, through April 30, 2003 total \$2,620,000.

REVIEW BY OTHERS: This item has been reviewed and approved by County Counsel (Michael A. Sachs, Chief Deputy County Counsel) on May 5, 2003 and by the County Administrative Office (Katrina Turturro, Administrative Analyst) on May 12, 2003.

FINANCIAL IMPACT: This action increases the contract amount by \$250,000 which will be funded from the Restitution reserve. Sufficient appropriation exists in the Litigation Budget Unit to fund this increase.

SUPERVISORIAL DISTRICT(S): All.

PRESENTER: Alan K. Marks, County Counsel, 387-5459.

Record of Action of the Board of Supervisors

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